

A public meeting of the City of Hillsboro City Council (Governing Body) will be held on June 21, 2016, at 7:00 pm at the Civic Center Auditorium 150 E Main St., Hillsboro, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2016, as approved by the City of Hillsboro Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained online at <http://www.hillsboro-oregon.gov/index.aspx?page=262> or at 150 E Main Street on the 5th floor, between the hours of 8:00 am and 5:00 pm. This budget is for an annual budget period and was prepared on a basis of accounting that is the same as the preceding year. The City of Hillsboro website also has this notice posted at <http://www.hillsboro-oregon.gov> and will remain available through June 21, 2016.

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FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount 2014-15	Adopted Budget This Year 2015-16	Approved Budget Next Year 2016-17
Beginning Fund Balance/Net Working Capital	187,179,732	202,891,143	198,978,678
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	98,149,186	101,483,923	114,654,976
Federal, State & All Other Grants, Gifts, Allocations & Donations	10,035,004	12,414,317	11,744,640
Revenue from Bonds and Other Debt	-	17,500,000	15,241,175
Interfund Transfers / Internal Service Reimbursements	56,173,386	69,112,275	51,941,913
All Other Resources Except Current Year Property Taxes	31,288,871	39,386,083	33,800,795
Current Year Property Taxes Estimated to be Received	56,797,168	60,732,622	65,174,224
<b>Total Resources</b>	<b>439,623,347</b>	<b>503,520,363</b>	<b>491,536,401</b>

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	84,265,285	93,933,370	99,164,498
Materials and Services	31,855,413	39,940,083	49,363,505
Capital Outlay	21,298,605	220,676,305	192,530,180
Debt Service	6,439,849	14,123,843	15,615,177
Interfund Transfers	35,351,107	45,553,656	31,441,261
Contingencies	-	6,782,551	16,124,480
Special Payments	51,744,954	55,110,579	61,886,782
Unappropriated Ending Balance & Reserved for Future Expenditure	208,668,134	27,399,976	25,410,518
<b>Total Requirements</b>	<b>439,623,347</b>	<b>503,520,363</b>	<b>491,536,401</b>

FINANCIAL SUMMARY - REQUIREMENTS BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program FTE for that unit or program			
Police	29,214,231	31,451,791	32,736,108
FTE	179.00	183.00	185.00
Fire	18,656,950	19,986,696	20,672,485
FTE	105.00	108.00	111.00
Parks and Recreation	31,285,222	41,395,531	28,235,835
FTE	87.35	92.75	93.75
Library	8,174,860	8,899,181	9,440,814
FTE	52.00	52.00	52.00
Planning	4,460,274	4,955,711	5,234,115
FTE	23.00	25.00	25.00
Street Lighting	856,496	1,010,000	1,010,000
FTE	-	-	-
Special Expenditures	48,317,512	51,206,191	48,920,595
FTE	-	-	-
City Manager's Office	3,160,955	3,607,429	4,157,212
FTE	15.00	15.50	19.50
Human Resources	4,663,471	5,518,623	5,479,290
FTE	13.00	13.00	12.00
Information Services	6,069,145	7,867,002	7,954,449
FTE	30.00	31.00	32.00
Finance	2,838,399	3,375,506	3,549,753
FTE	22.00	22.00	23.00
Municipal Court	479,566	544,683	563,316
FTE	3.00	3.00	3.00
Public Works - Facilities and Fleet Division	26,081,458	41,929,046	37,803,477
FTE	20.00	21.00	21.00
Support Service Expenses	3,514,152	3,726,600	4,506,300
FTE	-	-	-
Economic Development	3,602,238	7,109,000	3,817,500
FTE	6.00	6.00	7.00
Building	29,346,326	28,751,000	20,458,974
FTE	42.00	43.00	43.00
Public Works	112,042,443	124,447,937	129,070,651
FTE	69.00	73.00	78.00
Water	106,568,648	117,499,486	127,634,527
FTE	66.00	72.00	75.00
Library Board	281,997	229,800	281,800
FTE	-	-	-
Cemetery Trust	9,004	9,150	9,200
FTE	-	-	-
<b>Total Requirements</b>	<b>439,623,347</b>	<b>503,520,363</b>	<b>491,536,401</b>
<b>Total FTE</b>	<b>732.35</b>	<b>760.25</b>	<b>780.25</b>

**STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING \***

Overall, changes to the budget include \$7.2 million increases to revenue for water, sewer and surface water management charges for services. The budget includes System Development Charge increases of \$4.7 million. The City has rebudgeted to issue debt in the amount of \$8 million for a portion of the new public works facility, and \$500,000 for water projects (forgivable State loan). \$1 million has been budgeted for an interdepartmental loan between the Building Fund and General Fund for purchase of land for future park development. Internal transfers decreased by approximately \$17 million due to one-time transfers in the previous year for the construction on the new public works facility (\$11.3 million) and \$6 million transfers for budgeted gain share projects including the fairgrounds/RV and public safety training facility projects. Other revenue decreases of approximately \$5.6 million include a decrease in gainshare revenue of approximately \$4.75 million due to change in legislation, and a decrease of approximately \$2.2 million in construction reimbursement for one-time transportation projects. Property taxes are budgeted across the City at a 4% increase in assessed value from actual in 2015-16, however to be conservative the City is reducing the value related to the 1999 SIP that came back on the tax rolls over 5 years which reduces the percentage to around 2.4%, all in all it is about 7.3% increase from the FY 2015-16 budget. The more significant budget to budget increase is due to the actual for 2015-16 far exceeding budget primarily due to the 1999 SIP.

Increases in personnel services are a result of step increases and a 2% cost of living adjustment for general service employees as well as Police and Fire union employees. Additionally, health related costs have been projected to increase between 0 and 9.2% depending on the plan in January 2017. All personnel services increases are a result of these factors, except for departments which added positions. 20 new positions are included in the proposed budget, of which 5 were added mid FY 2015-16. Listed below are significant changes to departments (amounts are approximated):

**Parks and Recreation** - Capital Outlay has decreased by approximately \$12.7 million primarily due to land purchases budgeted in FY 15-16 for future park development. Similar purchases in this amount are not planned for FY 16-17.

**Building** - The decrease in Building is primarily due to a one-time interdepartmental loan to the Parks SDC Fund of \$9 million for Parks and Recreation land purchase for future park development in FY 15-16 compared to a \$1 million loan in FY 16-17.

**Water** - Personnel services increased approximately \$600,000 due to the addition of 3 FTE positions and for the aforementioned increases above.

Capital outlay in the Water department increased by \$5.2 million to a total of \$92.4 million most significantly including capital reserves for future projects of \$63.1 million. Budgeted projects feature \$16.6 million for the Willamette Water Supply, \$2.5 million for Joint Venture Reimbursement, \$1 million for Dilley Reservoir Structural and Site Improvements, \$900,000 for the 253rd extension and Huffman road water lines, \$800,000 for the Crandall Reservoir ASR project, \$590,000 for the South Hillsboro Butternut Creek Supply Line, and \$500,000 for the Upper System 18-Inch Water Replacement. Joint Water Commission (JWC) budgeted projects include \$1.8 million for the Preliminary Design Facility Plan and \$1.4 million for the Treatment Plant 10 million gallon expansion pre-design.

Debt service in the Water department increased by approximately \$2.7 million due to the possibility of financed purchase of water rights from the City of Salem for the water supply line to the Willamette River.

Special payments in the Water department increased by approximately \$1.2 million primarily due to the increase of \$440,000 in franchise fees charged, \$300,000 increase in anticipated water purchases, and an expected \$320,000 lease payment from JWC for water capacity management amongst partners.

**PROPERTY TAX LEVIES**

	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (rate limit 3.6665 per \$1,000)	3.6665	3.6665	3.6665
Local Option Levy	1.72	1.72	1.72
Levy For General Obligation Bonds	-	-	-

**STATEMENT OF INDEBTEDNESS**

LONG TERM DEBT	Estimated Debt Outstanding on July 1	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$ -	\$ -
Other Bonds	51,680,000	16,117,200
Other Borrowings	-	-
<b>Total</b>	<b>\$ 51,680,000</b>	<b>\$ 16,117,200</b>